P-490/M-91-379 ORDER APPROVING PRICING OPTION AND DISAPPROVING PROPOSED TARIFF LANGUAGE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Dee Knaak
Norma McKanna
Patrice M. Vick

Chair Commissioner Commissioner Commissioner Commissioner

In the Matter of a Request by Advanced Business Telephone, Inc. to Introduce a New Pricing Option and Special Promotions

ISSUE DATE: August 30, 1991

DOCKET NO. P-490/M-91-379

ORDER APPROVING PRICING OPTION AND DISAPPROVING PROPOSED TARIFF LANGUAGE

PROCEDURAL HISTORY

On May 20, 1991, Advanced Business Telephone Inc. (ABT or the Company) filed a petition requesting two tariff revisions. The Company proposed a new pricing option called ABT Business System VIII. The Company also proposed a tariff provision enabling ABT to make special promotional offerings. The proposed tariff provision was as follows:

From time to time, ABT may offer services at a reduced rate or free of charge for promotional, market research or rate experimentation purposes. Such offerings will be for a limited duration and customers will be so notified.

On June 3, 1991, the Department of Public Service (the Department) filed comments recommending approval of the proposals. The Department recommended that the Commission direct ABT to submit a filing for each individual special promotion offered under the proposed tariff language.

The matter came before the Commission on August 20, 1991.

FINDINGS AND CONCLUSIONS

The new pricing option

The Commission finds that the Company's proposed pricing option, ABT Business System VIII, is in the public interest and should be approved. The proposed pricing option results in a rate

reduction. The Company has stated that the incremental costs of the service are covered under the proposal. The Commission will approve the ABT Business System VIII proposal.

The proposed tariff provision

The Commission agrees with the Department that ABT's proposed new tariff language regarding promotions would not allow sufficient oversight of future special promotions. The Department's solution to this concern was to approve the proposed language but direct the Company to submit a filing with each individual special promotion it would request under the revised language. The Commission agrees with the Department that requiring the Company to submit each proposed promotion for Commission review is in the public interest. The Commission finds, however, that this requirement is inconsistent with approval of the proposed tariff language. The Commission will therefore disapprove the proposed tariff revision. The Company will be required to submit any new special promotion proposal for the Commission's review; thus, special promotions will receive the scrutiny they require.

ORDER

- 1. ABT's new pricing option, ABT Business System VIII, is approved.
- 2. ABT's proposed tariff provision regarding special promotions is disapproved. The Company must submit any proposed tariffs for specific promotions to the Commission for review.
- 3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster Executive Secretary

(S E A L)